

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

# HOUSE BILL 2865

AN ACT

AMENDING LAWS 2005, CHAPTER 298, SECTION 7; MAKING CAPITAL OUTLAY  
APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE AND FOR STATE  
INSTITUTIONS; REQUIRING CERTAIN REPORTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Laws 2005, chapter 298, section 7 is amended to read:

3 Sec. 7. Department of economic security; property conveyance;  
4 privatized lease to own; appropriation

5 A. The sum of \$150,000 is appropriated from the state general fund in  
6 fiscal year 2005-2006 to the department of economic security for a property  
7 ~~exchange~~ CONVEYANCE with the city of Prescott AND REAL PROPERTY ACQUISITION  
8 COSTS. Before executing any property ~~exchange~~ CONVEYANCE pursuant to this  
9 subsection, the department of economic security shall submit the ~~property~~  
10 ~~exchange~~ agreement to the joint committee on capital review for its review.

11 B. The department of economic security may effect a capital lease to  
12 build a multiservice center on the property acquired ~~through the exchange~~ as  
13 authorized in subsection A of this section. Any lease agreement pursuant to  
14 this section is subject to section 41-1958, Arizona Revised Statutes,  
15 including review by the joint committee on capital review.

16 C. IF THE DEPARTMENT OF ECONOMIC SECURITY CONVEYS REAL PROPERTY  
17 LOCATED AT 234 GROVE AVENUE IN PRESCOTT TO THE CITY OF PRESCOTT, SUBJECT TO  
18 SECTION 37-803, ARIZONA REVISED STATUTES, THE DEPARTMENT MAY RETAIN ANY  
19 PROCEEDS OF THE CONVEYANCE AND USE THOSE PROCEEDS FOR MOVING COSTS AND TO  
20 ACQUIRE REAL PROPERTY FOR THE PURPOSE OF PROVIDING OFFICE SPACE FOR THE  
21 DEPARTMENT AT SUCH PLACES AS THE DIRECTOR DEEMS NECESSARY AND SUITABLE  
22 PURSUANT TO SECTION 41-1958, ARIZONA REVISED STATUTES.

23 D. ANY UNEXPENDED PROCEEDS OF THE PROPERTY CONVEYANCE DO NOT LAPSE TO  
24 THE STATE GENERAL FUND UNTIL THE PURPOSE FOR WHICH THE FUNDS ARE AUTHORIZED  
25 HAS BEEN ACCOMPLISHED OR ABANDONED OR THE APPROPRIATION STANDS FOR A FULL  
26 FISCAL YEAR WITHOUT AN EXPENDITURE OR AN ENCUMBRANCE.

27 E. THE APPROPRIATION MADE IN SUBSECTION A OF THIS SECTION IS EXEMPT  
28 FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO  
29 LAPSING OF APPROPRIATIONS.

30 Sec. 2. Capital outlay appropriations: major maintenance and  
31 repair of state buildings

32 A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the  
33 amounts appropriated in this section are appropriated for fiscal year  
34 2006-2007 and shall be used by the applicable agency for major maintenance  
35 and repair activities for state buildings in accordance with title 41,  
36 chapter 4, article 7, Arizona Revised Statutes. Twenty-five per cent or less  
37 of the monies may be spent for state building modifications to comply with  
38 the federal Americans with disabilities act (42 United States Code sections  
39 12101 through 12213 and 47 United States Code sections 225 and 611) or for  
40 major maintenance and repair activities for state infrastructure. The monies  
41 may be used only for facilities on the state building inventory or for  
42 infrastructure that directly supports those facilities. Of the amounts  
43 appropriated to the department of administration, up to \$275,000 in personal  
44 services and employee-related expenditures for up to five full-time  
45 equivalent positions may be allocated each fiscal year until the building

renewal projects are completed. All other monies appropriated in this section shall not be spent for personal services or employee-related expenditures or for maintenance contracts on building components and equipment without review by the joint committee on capital review. Any monies appropriated for building renewal in fiscal year 2006-2007 that are unexpended or unencumbered on December 31, 2007 shall revert to the fund from which the monies were appropriated. The building renewal expenditure plans submitted by agencies for review by the joint committee on capital review shall identify the components for each project that incorporate energy efficient systems.

B. ARIZONA BOARD OF REGENTS \$ 20,000,000

Fund source:

State general fund \$ 20,000,000

The Arizona board of regents shall require each university to establish a major maintenance and repair account for deposit of amounts allocated by the board to the university from the appropriation made in this subsection. Amounts deposited in this account shall only be used for the purposes provided in subsection A of this section.

C. DEPARTMENT OF ADMINISTRATION \$ 7,249,200

Fund sources:

State general fund \$ 3,849,200

Capital outlay stabilization fund \$ 3,400,000

The department of administration shall allocate the monies to state agencies for necessary building renewal. If monies in the capital outlay stabilization fund are insufficient to fund the appropriation to the department of administration for building renewal, the appropriation to the department of administration shall be reduced by the difference between the amount appropriated to the department of administration from the capital outlay stabilization fund and the balance in the capital outlay stabilization fund.

D. DEPARTMENT OF TRANSPORTATION \$ 3,702,900

Fund sources:

State highway fund \$ 3,627,100

State aviation fund \$ 75,800

E. ARIZONA EXPOSITION AND STATE FAIR BOARD \$ 1,508,400

Fund source:

Arizona exposition and state fair fund \$ 1,508,400

F. GAME AND FISH DEPARTMENT \$ 430,800

Fund source:

Game and fish fund \$ 430,800

1	G. ARIZONA LOTTERY COMMISSION	\$ 53,600
2	Fund source:	
3	State lottery fund	\$ 53,600
4	Sec. 3. <u>Capital outlay appropriations: major capital projects:</u>	
5	<u>department of administration</u>	
6		<u>2006-2007</u>
7	Department of administration:	
8	1. <u>Prison cell locks and cell doors replacement</u>	\$ 5,200,000
9	Fund source:	
10	State general fund	\$ 5,200,000
11	2. <u>Yuma prison water treatment plant upgrade</u>	\$ 2,189,000
12	Fund source:	
13	Corrections fund	\$ 2,189,000
14	Total appropriation - department of administration	\$ 7,389,000
15	Fund sources:	
16	State general fund	\$ 5,200,000
17	Corrections fund	\$ 2,189,000
18	Sec. 4. <u>Capital outlay appropriations; major capital projects:</u>	
19	<u>game and fish department</u>	
20		<u>2006-2007</u>
21	Game and fish department:	
22	1. <u>Flood warning system</u>	\$ 350,000
23	Fund source:	
24	Game and fish capital improvement fund	\$ 350,000
25	2. <u>Black Canyon Dam modifications</u>	\$ 300,000
26	Fund source:	
27	Game and fish capital improvement fund	\$ 300,000
28	3. <u>Shooting range access improvements</u>	\$ 200,000
29	Fund source:	
30	Game and fish capital improvement fund	\$ 200,000
31	4. <u>Migratory waterfowl habitat</u>	\$ 100,000
32	Fund source:	
33	Waterfowl conservation fund	\$ 100,000
34	5. <u>Cluff ranch access improvements</u>	\$ 50,000
35	Fund source:	
36	Game and fish fund	\$ 50,000
37	6. <u>Yuma storage canopy</u>	\$ 35,000
38	Fund source:	
39	Game and fish fund	\$ 35,000
40	7. <u>Yuma office security system</u>	\$ 30,000
41	Fund source:	
42	Game and fish fund	\$ 30,000
43	8. <u>House rock driveway surfacing</u>	\$ 25,000
44	Fund source:	
45	Game and fish fund	\$ 25,000

1	9. <u>Statewide preventative maintenance</u>	\$ 15,000
2	Fund source:	
3	Game and fish fund	\$ 15,000
4	10. <u>Flagstaff office parking gate</u>	\$ 10,000
5	Fund source:	
6	Game and fish fund	\$ 10,000
7	11. <u>Yuma office fence</u>	\$ 10,000
8	Fund source:	
9	Game and fish fund	\$ 10,000
10	Total appropriation - game and fish department	\$ 1,125,000
11	Fund sources:	
12	Game and fish capital improvement fund	\$ 850,000
13	Game and fish fund	\$ 175,000
14	Waterfowl conservation fund	\$ 100,000
15	Sec. 5. <u>Capital outlay appropriations; major capital projects;</u>	
16	<u>department of transportation</u>	
17		<u>2006-2007</u>
18	Department of transportation:	
19	1. <u>Statewide highway construction</u>	\$226,273,000
20	Fund source:	
21	State highway fund	\$226,273,000
22	The amount appropriated for highway construction is from the state	
23	highway fund for the planning and construction of state highways, including	
24	the national system of interstate highways within this state, the state	
25	primary or secondary system, the county primary or secondary system and urban	
26	rural routes, the acquisition of rights-of-way, the cost of contracted field	
27	administration and field engineering on construction projects and debt	
28	service payments on bonds issued for highway construction. Any balances and	
29	collections in the state highway fund in excess of the specific amounts	
30	appropriated in the general appropriations act and in this act are	
31	appropriated to the department for the purposes provided in this paragraph.	
32	2. <u>Airport planning and development</u>	\$ 20,464,200
33	Fund source:	
34	State aviation fund	\$ 20,464,200
35	The amount is appropriated from the state aviation fund for the	
36	planning, construction, development and improvement of state, county, city or	
37	town airports as determined by the state transportation board. Any balances	
38	and collections in the state aviation fund in excess of the specific amounts	
39	appropriated in the general appropriations act and in this act are	
40	appropriated to the department of transportation for the purposes provided in	
41	this paragraph.	
42	3. <u>Glendale airport civil air patrol</u>	
43	<u>infrastructure improvements</u>	\$ 200,000
44	Fund source:	
45	State aviation fund	\$ 200,000

1	4. <u>Grand Canyon airport modular housing</u>	\$ 2,500,000
2	Fund source:	
3	State aviation fund	\$ 2,500,000
4	5. <u>Surprise motor vehicle division</u>	
5	<u>service center</u>	\$ 2,736,200
6	Fund source:	
7	State highway fund	\$ 2,736,200
8	6. <u>Asphalt storage tanks</u>	\$ 1,587,600
9	Fund source:	
10	State highway fund	\$ 1,587,600
11	7. <u>De-icer buildings</u>	\$ 1,478,000
12	Fund source:	
13	State highway fund	\$ 1,478,000
14	Total appropriation - department of transportation	\$255,239,000
15	Fund sources:	
16	State highway fund	\$232,074,800
17	State aviation fund	\$ 23,164,200

18 Sec. 6. Department of transportation reports; professional and  
19 outside services

20 Before the expenditure of any monies for professional and outside  
21 services, including contracted field administration and field engineering,  
22 the department of transportation shall submit information on professional and  
23 outside services funded from the capital budget to the joint committee on  
24 capital review by July 1, 2006 for review. The submitted information shall  
25 contain at least as much detail for professional and outside services as the  
26 department's annual operating budget.

27 Sec. 7. Appropriations and distributions: microwave  
28 communications system; department of public safety:  
29 report

30 A. The sum of \$1,500,000 is appropriated from the state general fund  
31 in each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the  
32 department of public safety for the design, construction and implementation  
33 of a microwave communications system upgrade.

34 B. The sum of \$826,000 is appropriated from the state highway fund in  
35 each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the department  
36 of transportation for distribution to the department of public safety for the  
37 design, construction and implementation of a microwave communications system  
38 upgrade.

39 C. The sum of \$207,000 is appropriated from the game and fish fund in  
40 each of the fiscal years 2006-2007, 2007-2008 and 2008-2009 to the game and  
41 fish department for distribution to the department of public safety for the  
42 design, construction and implementation of a microwave communications system  
43 upgrade.

44 D. The department of public safety shall submit an expenditure plan  
45 and project timeline to the joint legislative budget committee for review

1 before expending any monies appropriated for the microwave communications  
2 system upgrade. The submission shall include the results of the project  
3 investment justification approval by the information technology authorization  
4 committee. The department of public safety shall submit a report to the  
5 joint legislative budget committee for review regarding expenditures and  
6 progress by December 31, 2006 and June 30, 2007.

7 E. It is the intent of the legislature that \$1,600,000 of federal  
8 homeland security monies be distributed in each of the fiscal years  
9 2006-2007, 2007-2008 and 2008-2009 to fund the department of public safety  
10 microwave communications system upgrade.

11 F. Of the appropriations made in this section for the microwave  
12 communications system, the department of public safety may use up to \$295,600  
13 annually for up to 4 FTE positions to provide project management.

14 Sec. 8. Appropriations; department of water resources; dam  
15 repair

16 A. The sum of \$1,500,000 is appropriated from the state general fund  
17 to the department of water resources in fiscal year 2006-2007 to repair the  
18 City of Williams Dam.

19 B. The appropriation made in subsection A of this section shall be  
20 used along with \$136,000 in local monies and in-kind contributions to repair  
21 the City of Williams Dam.

22 Sec. 9. Statewide transportation acceleration needs account;  
23 definition

24 A. The statewide transportation acceleration needs account is  
25 established as a separate account in the state highway fund. The account  
26 consists of all of the following:

- 27 1. Monies appropriated by the legislature.
- 28 2. Monies designated for deposit in the account by the transportation  
29 board, a state agency or a political subdivision.
- 30 3. Monies received from the United States government for the purpose  
31 of accelerating transportation projects.
- 32 4. Monies received from political subdivisions, Indian tribes or this  
33 state or its agencies for the purpose of accelerating transportation  
34 projects.
- 35 5. Interest and other income received from investing monies in the  
36 account.
- 37 6. Gifts, grants, donations or other amounts received from any public  
38 or private source for deposit in the account for the purpose of accelerating  
39 transportation projects.

40 B. On notice from the transportation board, the state treasurer shall  
41 invest and divest monies in the statewide transportation acceleration needs  
42 account as provided by section 35-313, Arizona Revised Statutes, and monies  
43 earned from investment shall be credited to the account.

1 C. The transportation board may establish any subaccount in the  
2 statewide transportation acceleration needs account that the board determines  
3 is necessary or appropriate to carry out the purposes of this section.

4 D. If a governmental entity or a private person deposits monies in the  
5 statewide transportation acceleration needs account for acceleration of a  
6 specific project and the appropriate regional planning agency or council of  
7 governments in cooperation with the transportation board approves the  
8 project, the board shall designate the monies deposited by the governmental  
9 entity or private person solely for the project for which the monies are  
10 deposited.

11 E. Notwithstanding section 28-6993, Arizona Revised Statutes, and any  
12 other agreements entered into by the department of transportation for the  
13 distribution and expenditure of monies from the state highway fund, the  
14 transportation board shall not approve any expenditures from the statewide  
15 transportation acceleration needs account unless the expenditure is made in  
16 accordance with this section and is for the construction or reconstruction of  
17 freeways, state highways, bridges and interchanges that are contained in the  
18 regional transportation plan of a county or the department's long-range  
19 statewide transportation plan pursuant to section 28-506, Arizona Revised  
20 Statutes. For the purposes of this subsection, a regional transportation  
21 plan is a twenty year comprehensive, performance based, multimodal and  
22 coordinated regional transportation plan that is approved for the county as  
23 provided by law and as amended or otherwise modified.

24 F. Monies in the statewide transportation acceleration needs account  
25 shall be used only to pay for the following costs of a transportation project  
26 approved pursuant to this section:

- 27 1. Materials and labor.
- 28 2. Acquisition of rights-of-way for highway needs.
- 29 3. Design and other engineering services that are within the scope of  
30 engineering practice as provided in title 32, chapter 1, Arizona Revised  
31 Statutes.
- 32 4. Other directly related costs approved by the transportation board.

33 G. Monies in the statewide transportation acceleration needs account  
34 that are appropriated by the legislature and any interest earnings shall be  
35 allocated as follows:

- 36 1. For a county with a population of at least one million two hundred  
37 thousand persons for the area included in the regional planning agency's  
38 transportation improvement plan, sixty per cent.
- 39 2. For a county with a population of more than five hundred thousand  
40 persons but less than one million two hundred thousand persons for the area  
41 included in the regional planning agency's transportation improvement plan,  
42 sixteen per cent.
- 43 3. For all other counties, twenty-four per cent.

44 H. The regional planning agency in a county designated as a  
45 transportation management area shall establish a process for the review and



1 approval of transportation projects eligible to receive monies from the  
2 statewide transportation acceleration needs account. As part of its request  
3 to the transportation board for monies, the regional planning agency shall  
4 ensure and submit evidence satisfactory to the board that any project costs  
5 not eligible for monies from the statewide transportation acceleration needs  
6 account are available and dedicated to the project. In all other counties,  
7 the department, in cooperation with the metropolitan planning organization or  
8 the council of governments that has the authority to approve transportation  
9 projects for the county, shall develop requests for expenditure of monies  
10 from the statewide transportation acceleration needs account. As part of the  
11 request to the transportation board for monies, the metropolitan planning  
12 organization or the council of governments for the department shall submit  
13 evidence satisfactory to the board that any project costs not eligible for  
14 monies from the statewide transportation acceleration needs account are  
15 available and dedicated to the project.

16 I. On receipt of a request for monies from the statewide  
17 transportation acceleration needs account, the transportation board shall  
18 place the request on the agenda for the next regular business meeting of the  
19 board. The board shall review the request and, in cooperation with the  
20 regional planning agency, the metropolitan planning organization or the  
21 council of governments, approve the request or further modify the request  
22 before approval.

23 J. The transportation board shall not approve the release of any  
24 monies from the statewide transportation acceleration needs account for a  
25 transportation project unless the board verifies that all costs related to  
26 construction of the project are covered.

27 K. Monies in the statewide transportation acceleration needs account  
28 shall be used to supplement, not supplant, funding that would otherwise be  
29 made available for projects.

30 L. On or before July 1 of each year, the transportation board shall  
31 submit a report of its activities pursuant to this section to the governor,  
32 the president of the senate and the speaker of the house of representatives  
33 and shall provide a copy of this report to the secretary of state, the  
34 director of the joint legislative budget committee and the director of the  
35 Arizona state library, archives and public records.

36 M. For the purposes of this section, "project" means the construction  
37 or reconstruction of a specific portion of a freeway or state highway or a  
38 bridge or interchange or a portion of a bridge or interchange that is  
39 constructed at a single location.

40 Sec. 10. Arizona state university; appropriations; east campus;  
41 lease-purchase

42 A. The sum of \$7,500,000 is appropriated from the state general fund  
43 in fiscal year 2006-2007 to Arizona state university for the certificates of  
44 participation costs for the lease purchase of the planning, designing and

1 construction of laboratory, classroom and support facilities, as well as  
2 necessary infrastructure at the east campus.

3 B. In accordance with section 15-1682.01, Arizona Revised Statutes,  
4 Arizona state university may enter into a twenty-five year lease-purchase  
5 agreement in fiscal year 2006-2007 for the issuance of certificates of  
6 participation in an amount not to exceed \$103,000,000 for the purposes  
7 described in subsection A of this section. Any lease-purchase agreement  
8 entered into pursuant to this section shall specify that there are no  
9 restrictions or penalties for whole or partial prepayment of outstanding  
10 amounts related to the certificates of participation issuance.

11 Sec. 11. Universities; capital projects; appropriations

12 A. The sum of \$10,600,000 is appropriated from the state general fund  
13 in fiscal year 2006-2007 to Arizona state university for one-time capital  
14 projects.

15 B. The sum of \$3,200,000 is appropriated from the state general fund  
16 in fiscal year 2006-2007 to northern Arizona university for one-time capital  
17 projects.

18 C. The sum of \$6,200,000 is appropriated from the state general fund  
19 in fiscal year 2006-2007 to the university of Arizona for one-time capital  
20 projects.

21 D. In accordance with section 41-1252, Arizona Revised Statutes, the  
22 universities shall submit the scope, purpose and estimated cost of the  
23 projects from subsections A, B and C of this section to the joint committee  
24 on capital review for review.

25 Sec. 12. Appropriation; multipurpose facility

26 The sum of \$450,000 is appropriated from the state general fund in  
27 fiscal year 2006-2007 to the department of economic security to be combined  
28 with dollar for dollar matching monies from the Navajo nation for  
29 distribution to the Navajo tribe for a multipurpose facility at the  
30 Dennehotso chapter.

31 Sec. 13. Prescott historical society; appropriation;  
32 maintenance facility

33 The sum of \$400,000 is appropriated from the state general fund in  
34 fiscal year 2006-2007 to the Prescott historical society to be combined with  
35 dollar for dollar matching monies from nonstate sources for planning, design  
36 and construction of a maintenance and workshop facility.

37 Sec. 14. Arizona state schools for the deaf and the blind;  
38 appropriation; new facilities and building  
39 renovations

40 A. The sum of \$19,000,000 is appropriated from the state general fund  
41 in fiscal year 2006-2007 to the Arizona state schools for the deaf and the  
42 blind for new facilities and building renovations at the Phoenix and Tucson  
43 campuses.

44 B. Before issuing any request for proposals or procuring any services  
45 related to the appropriation provided in subsection A of this section, the

1 Arizona state schools for the deaf and the blind shall submit a preliminary  
2 expenditure plan and proposed procurement method or methods to the joint  
3 committee on capital review for its review.

4 C. Pursuant to section 41-1252, Arizona Revised Statutes, before  
5 undertaking any construction activities and after complying with subsection B  
6 of this section, the Arizona state schools for the deaf and the blind shall  
7 submit the scope, purpose and estimated cost of the projects to the joint  
8 committee on capital review for its review.

9 Sec. 15. Intersection improvements; fire suppression;  
10 appropriation

11 The sum of \$1,105,000 is appropriated from the state general fund in  
12 fiscal year 2006-2007 to the department of transportation for intersection  
13 improvements near the former Williams Air Force Base and a fire suppression  
14 system service line at Williams Gateway Airport.

15 Sec. 16. Use of appropriations; limitation

16 Unless otherwise specified, the monies appropriated in this act shall  
17 not be spent for personal services or employee-related expenditures of state  
18 employees, excluding any services provided as part of the inmate construction  
19 program for correctional facilities.

20 Sec. 17. Lapsing; exemption

21 Unless otherwise specified, the appropriations made in this act do not  
22 lapse until the purpose for which the appropriation was made has been  
23 accomplished or abandoned, or the appropriation stands for a full fiscal year  
24 without an expenditure or an encumbrance.